

MEDICAL UNDERWRITING FAQ

EMPLOYEE BENEFITS - GROUP RISK



CONTENTS



ABOUT UNDERWRITING

WHAT IS THE FREE COVER LIMIT?

The Free Cover Limit is the maximum amount of cover that Discovery Group Risk gives to a member (for a particular benefit) without them needing to provide medical evidence of health and insurability. The Free Cover Limit is expressed as a flat rand amount for each benefit.

WHAT IS A PREVIOUS ACCEPTANCE LIMIT?

A previous acceptance limit is the level of cover that a member had with another underwriter before the benefits were placed on their Discovery Group Risk Life Plan. Previously accepted limits (PAL) are only valid if the member has not had a break in cover between the previous insurer and Discovery Group Risk.

WHEN WILL A MEMBER BE MEDICALLY UNDERWRITTEN?

Any member who requires cover of more than the Free Cover Limit or previous acceptance limit will be required to provide Discovery Group Risk with evidence of good health. These members will be underwritten for the cover in excess of the Free Cover Limit or previous acceptance limit.

All Core and Plus benefits are limited to the Free Cover Limit until we have made an underwriting decision. There is no Free Cover Limit for Flex benefits. When a member selects a Flex benefit, they will be medically underwritten before any cover is granted.

WHEN IS UNDERWRITING INITIATED?

The underwriting of Group Risk benefits is initiated by:

- The completion of the installation and annual renewal of the Group Risk Life Plan
- The receipt of member movements (new entrants, salary changes and withdrawals)

WHAT IS A DECLARATION OF HEALTH (DOH)?

A DOH is a non-medical questionnaire covering the full body system to be completed by the member, and it does not require a nurse or doctor to assist with the completion.

WHO PAYS FOR UNDERWRITING MEDICAL TESTS?

We will send the request for medical evidence to the member using Discovery Group Risk medical forms with the member's details. Discovery Group Risk will cover the costs of the medical evidence required for underwriting purposes done through the Smart Service process. Should a member choose to go for underwriting with their own doctor, consultation fees will not be covered.

WHEN WILL COVER OVER THE FREE COVER LIMIT BE GRANTED?

We will only grant cover over the Free Cover Limit once the required medical evidence has been submitted to the satisfaction of Discovery Group Risk. On receipt of medical evidence, Discovery Group Risk will provide the member with an underwriting decision. When a member selects new or additional benefits or increases their cover amounts, they may be required to submit additional medical information.



UNDERWRITING AND ACCIDENT COVER

WHAT IS ACCIDENT COVER?

Accident cover is your cover on death, disability or illness caused directly or indirectly from an accident. We define an accident as an event that happens:

- Suddenly and unexpectedly
- At a known time and place
- From a visible, violent and external cause.

For clarity, murder or unprovoked assault by a third party is included in the definition of accident.

We do not consider the following events as accidents:

- Attempted suicide or any self-inflicted injury.
- You or your dependents being under the influence of alcohol or drugs unless a registered health professional prescribed the drugs.
- The claim being a result of willingly and deliberately breaking the law, any act of war, riot or acts of public hostility.
- Participation in any type of aviation or airborne pursuit, except as a passenger travelling in a registered passenger aircraft that is owned and operated by a licensed airline or air-transport company, or in a military passenger aircraft. A pilot holding a commercial pilot's license, on a recognised route, between licensed airfields, must fly the aircraft.

AM I UNDERWRITTEN FOR ACCIDENT COVER?

This depends on the premium structure of the scheme:

1. Members of percentage of payroll schemes receive full cover over the Free Cover Limit on accidents.
2. Members of unit rated schemes have full cover over the Free Cover Limit on accidents during their Medical Evidence Period – a period of 90 days from the date that medical evidence was requested. During this period, members will be charged at standard rates for the member's full cover until they go for underwriting. If a member goes for underwriting during the Medical Evidence Period, our underwriters will reach a decision on their level of cover for all claims (including accidental claims) and rates will reflect that cover. If the member does not go for underwriting within the medical evidence period their level of cover for all claims (including accidental claims) will be restricted to the Free Cover Limit and rates will reflect that cover.

Please note: All flex benefits (whether for accidents or not) are only provided once members have been medically underwritten.

WHEN IS COVER RESTRICTED?

For non-accidental claims, cover is restricted from the release of the initial underwriting requirements letter. Once the member is medically underwritten, full cover may apply based on the underwriting decision.

For accidental claims:

- On percentage of payroll schemes, cover is unrestricted.
- On unit-rated schemes, cover is unrestricted during the Medical Evidence period but may change based on the underwriting decision.



UNDERWRITING DECISIONS



WHEN WILL A MEMBER RECEIVE AN UNDERWRITING DECISION?

On receipt of the medical evidence, Discovery Group Risk will provide the member with an underwriting decision. The underwriting decision will be based on the medical evidence received. The decision may be delayed if it is necessary to request additional medical evidence.

WHAT TYPES OF UNDERWRITING DECISIONS CAN BE MADE?

Acceptance at ordinary rates: The benefit is provided at the standard premium (ordinary rates).

Acceptance with a premium loading: A premium loading applies to the standard premium. This means the member must pay an additional premium over and above the standard premium. This applies on the continuation option only.

Exclusion: An exclusion applies to the benefit. This means that if the member sent a claim based on an illness or injury that we have excluded, we will not pay the claim.

Decline: This means we have not granted the member cover above the Free Cover Limit for the benefit.

Defer: This means we have not granted the member cover above the Free Cover Limit for the benefit for a specified period.

Decline per members request: The member is not interested in taking up the additional cover and is restricted on their request. The member must complete a Restricted Cover Questionnaire which can be downloaded from the Group Risk Adviser Portal (www.discovery.co.za) or requested by emailing groupriskuwquery@discovery.co.za.

WHAT IS ADVANCE UNDERWRITING?

Advance underwriting is an underwriting decision that is based on various factors. If a member is granted an advance underwriting decision, the member will not be subject to further underwriting until the member's accepted cover increases and exceeds the limit set. This limit may be up to a maximum of the stated amount. If no advance underwriting is granted, medical evidence may be required with the following year's renewal or with any increase in the member's cover.

WHAT IF A MEMBER DISAGREES WITH AN UNDERWRITING DECISION?

If a member does not agree with our underwriting decision:

1. They have 30 days from the date of the underwriting decision to tell Discovery Group Risk.
2. We will reassess the underwriting decision, but the member will need to cover the cost of any additional medical evidence.
3. Discovery Group Risk will provide a final underwriting decision to the member, based on the additional medical evidence.

HOW DOES A MEMBER GAIN ACCESS TO THE DETAILS OF THE UNDERWRITING DECISION?

If a member needs an explanation of our underwriting decision, Discovery Group Risk will disclose this information to the member or the member's nominated general practitioner. We do this due to the confidentiality and potential sensitivity of the medical information involved.

The member must **send the request to Discovery Group Risk in writing. if applicable, the details of the nominated general practitioner, including their contact number.** We will contact them and send the relevant information to them.

WHEN WILL A MEMBER'S COVER START?

A member's cover starts from the date the underwriting decision is made and premiums will be billed for the applicable month.. Premiums for the benefit cover in excess of the Free Cover Limit will be charged according to the underwriting decision.





OVERVIEW OF THE UNDERWRITING PROCESS

Many underwriting cases are now initiated with a simple Declaration of Health (DOH), which will be emailed to the scheme adviser. Below is an overview of the process when additional requirements are requested.

Request received

The client requests that a Discovery Group Risk nurse and doctor get the medical information from the members at the company's offices.

Schedule appointment

Discovery Group Risk will schedule the appointment at the company for the nurse and doctor at a time that is convenient for the member.

Smart underwriting

The nurse and doctor will get the medical information required and deliver it directly to Discovery Group Risk.

SmartService was developed to enhance medical underwriting. The underwriting process was often delayed because members had to go for blood tests and medical exams and fill in questionnaires.

With SmartService we send nurses and doctors to the company's doorstep.

Notification received

A confirmation of medicals and pathology completed is attached to all Discovery Group Risk underwriting requirements. The member provides this form to Discovery Group Risk once they have undergone the medical examinations and blood tests.

Get medical information

Discovery Group Risk will get the blood test results directly from the laboratory and the medical information directly from the medical practitioner.

Follow up

Discovery Group Risk will follow up directly with the laboratory and the medical practitioner to get the medical information.

Receipt of medical information

Discovery Group Risk receives the medical information from the laboratory and the medical practitioner.

Intermediary notification received

The intermediary notifies Discovery Group Risk that the member has undergone the medical examinations and blood tests. Discovery Group Risk will get the medical practitioner's contact details from the intermediary.

Audits and reminders: Discovery Group Risk performs monthly audits on all policies and sends reminders to clients in order to obtain any outstanding medical information.

Request additional medical information

In some instances Discovery Group Risk may request additional medical information based on the initial information received.



SCENARIOS OF WHEN UNDERWRITING MAY APPLY

Scenario 1

SCENARIO 1: NEW MEMBER WITH A SALARY THAT TAKES THEM OVER THE FULL COVER LIMIT

What does the insurer do and when?

We release initial automated underwriting requirements to be completed by the member's doctor. SmartService may be arranged for this. This is done as soon as the salary is updated, and requirements are triggered by the system.

Is there an automated process and what is it?

Yes. This is triggered as soon as the member's salary is updated. Automated requirements will then be released based on various factors, for example, age, cover amount, etc.

Who receives the medical requirements?

The medical requirements are released to the financial adviser or the underwriting contact where this information is available.

When is cover restricted?

For non-accidental claims: Cover is restricted from the release of the initial underwriting requirements letter. Once the member is medically underwritten, full cover may apply based on the underwriting decision.

For accidental claims:

- On percentage of payroll schemes, cover is unrestricted.
- **On unit-rated schemes:** Cover is unrestricted during the Medical Evidence period but may change based on the underwriting decision, as described on page 4.

Scenario 2

SCENARIO 2: EXISTING MEMBER WITH A SALARY INCREASE THAT TAKES THEM OVER THE FULL COVER LIMIT

What does the insurer do and when?

We release initial automated underwriting requirements to be completed by the member's doctor. SmartService may be arranged for this. This is done as soon as the salary is updated and requirements are triggered by the system.

Is there an automated process and what is it?

Yes. This is triggered as soon as the member's salary is updated. Automated requirements will then be released based on various factors, for example, age, cover amount, etc.

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The medical requirements are released to the financial adviser or the underwriting contact where this information is available.

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When is the scheme's Free Cover Limit reviewed?

The scheme's Free Cover Limit is reviewed annually

What happens to restricted members?

If there is a restricted member (who did not attend to underwriting requirements at the time), they will remain restricted to the increased full cover limit.

If there is a declined member (who was underwritten, but declined), how are they affected?

No updated reports will be released. It is the member's responsibility to provide us with updated reports, at their own cost, to review the terms previously provided. This, however, does not guarantee a more favourable outcome.

Scenario 3

SCENARIO 3: SCHEME ANNUAL RENEWAL

Does the renewal trigger underwriting requirements again?

Yes.

What does the insurer do and when?

Updated medical reports are released to the financial adviser.

Is there an automated process and what is it?

No. Only members who have not been underwritten previously will have automated requirements generated. However, this will only be released with the manual ones as one batch.

Who receives the medical requirements?

The medical requirements are released to the financial adviser or the underwriting contact where this information is available.



DISCOVERY GROUP RISK CONTACT INFORMATION

You can contact Discovery using one of the following contact details depending on your requirements:

General enquiries

Telephone: 0860 04 76 87;
Email: groupinfo@discovery.co.za

Claims

Telephone: 0860 54 33 22;
Email: groupriskclaims@discovery.co.za

Underwriting

Telephone: 0860 04 76 87;
Email: groupriskuwquery@discovery.co.za

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